



Resourcing the Workforce

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Report Documentation Page

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Resourcing the Workforce

- IS NOT** just about “getting the money”
- Is about promoting Department’s larger objectives
 - Delivering capabilities and readiness while
 - Minimizing fiscal opportunity costs
- Total Force background: “mix” and cost “vectors”
- Special challenge: entitlements growth
- Balancing manpower demands with personnel supply
- Moving “Observed Outcomes” closer to “Desired Outcomes”

Challenge: Balance Manpower Demand AND Personnel Supply



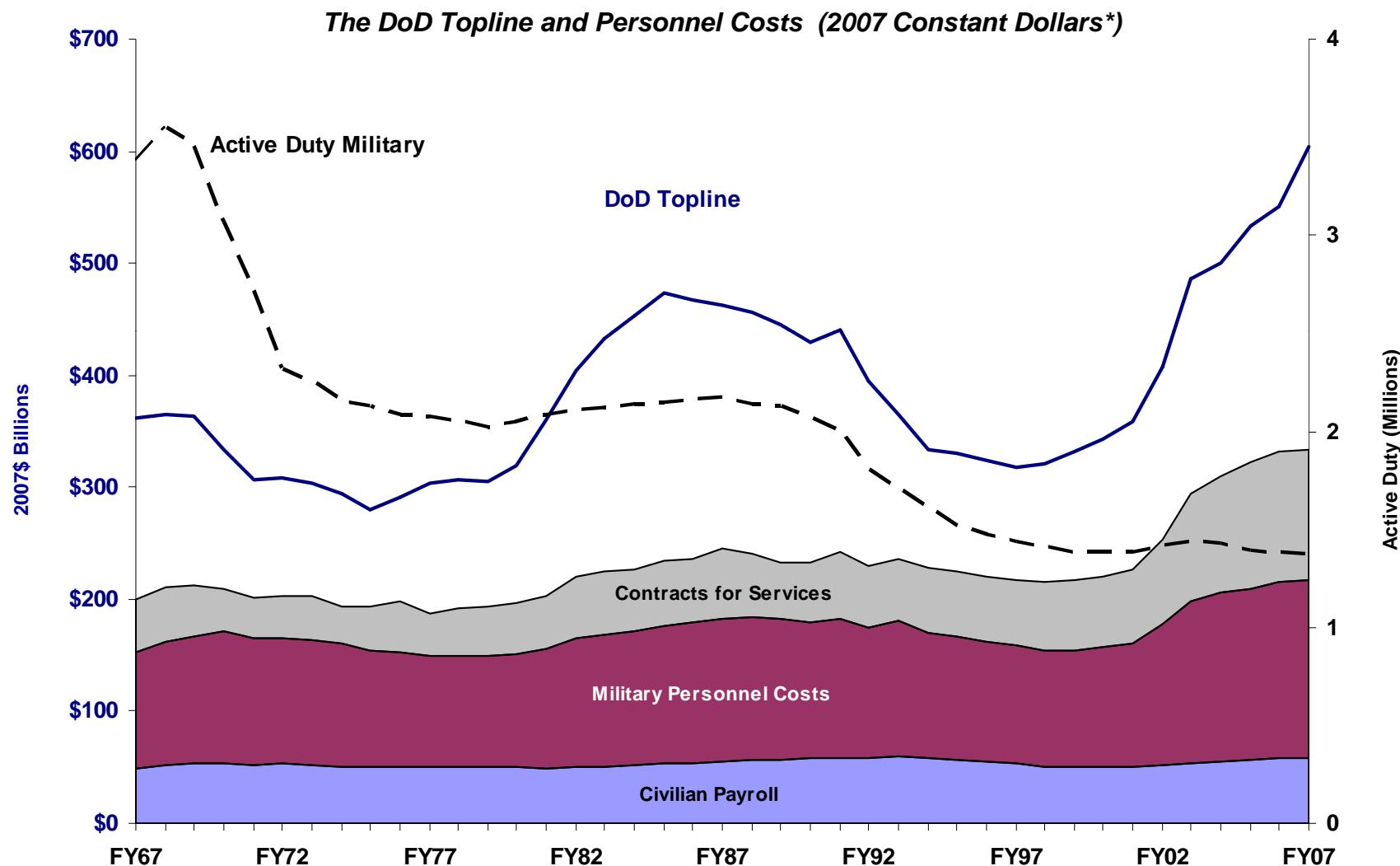
Resourcing the Workforce: Not Just About “Getting Money”

- Department's larger Total Force objectives must be promoted
 - Delivering capabilities and readiness while
 - Minimizing fiscal opportunity costs
- Facts of Life:
 - Workforce costs and associated “tails” increasingly unaffordable
 - **Fiscal pressures will worsen**
 - **Recapitalization needs increasingly compelling**
 - The AVF is the fundamental enabler of all our plans
- To “Resource the Workforce” you first need to know:
 - What “it” really should be
 - What “it” would really cost
- Knowing where we have been – a good start

Challenge: Balance Manpower Demand AND Personnel Supply



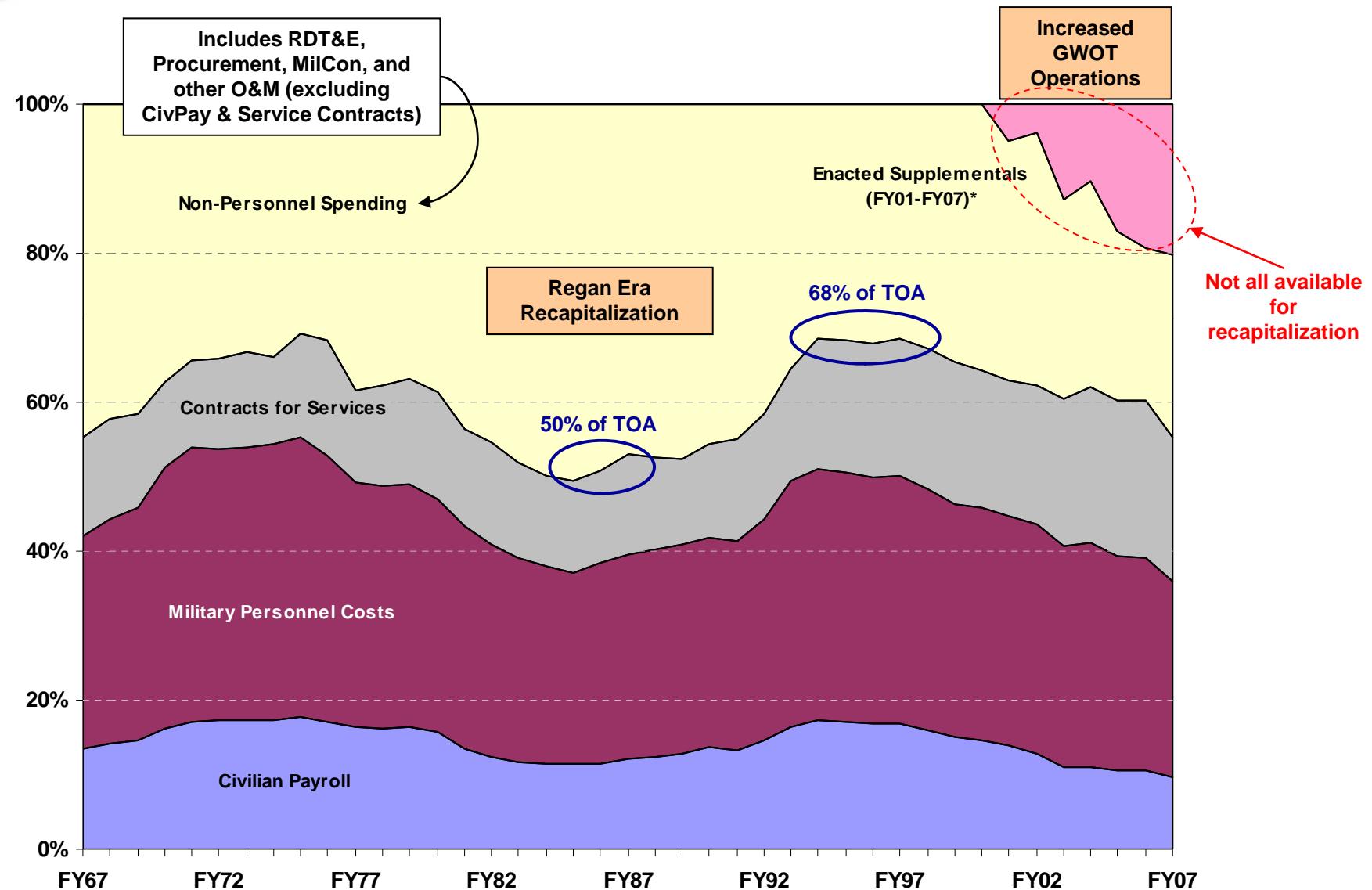
Total Force Strategy – focus on the right mix



* Using the GDP Price Index from the Budget of the United States Government: Historical Tables Fiscal Year 2009 (Table 10.1)

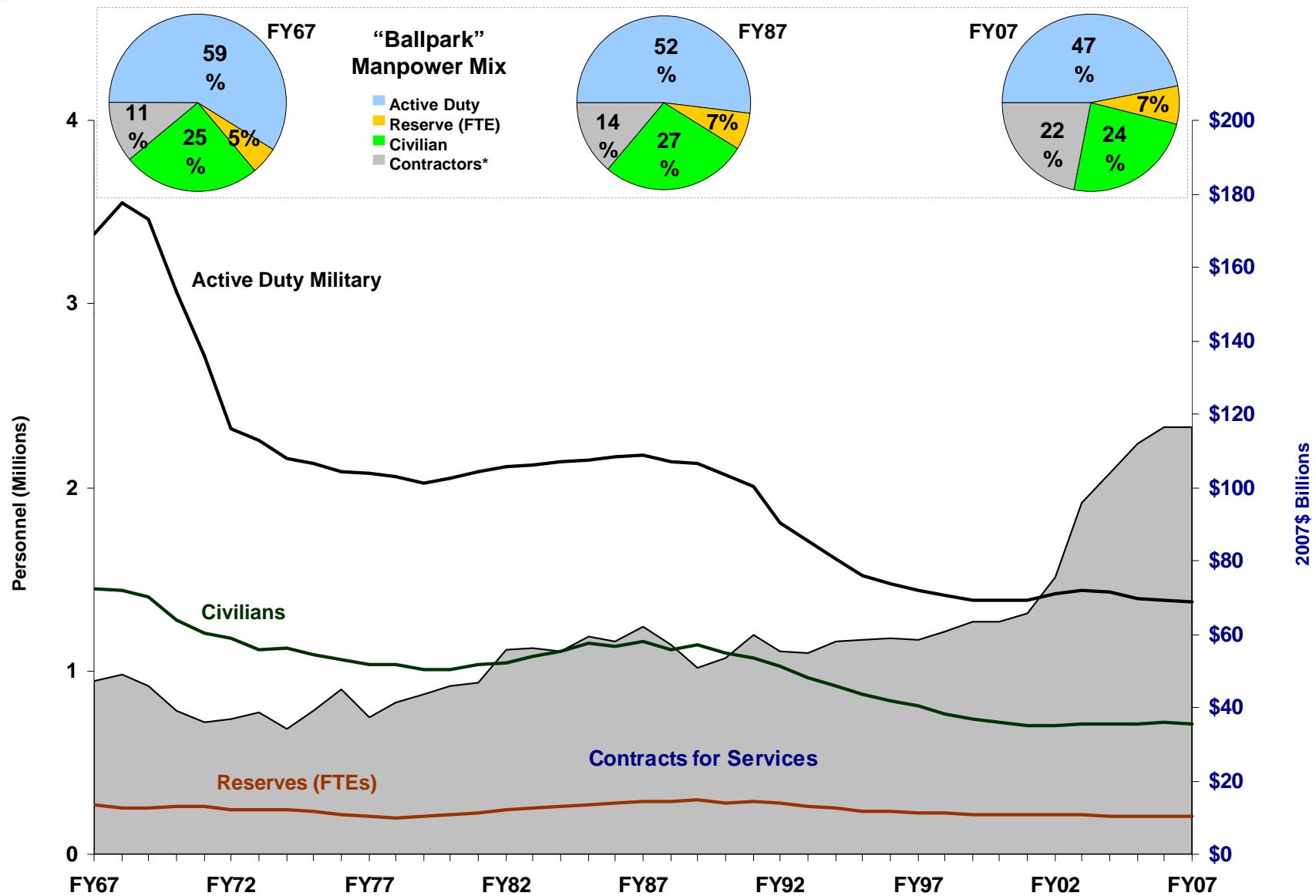


Defense Spending (Percent of DoD Topline)





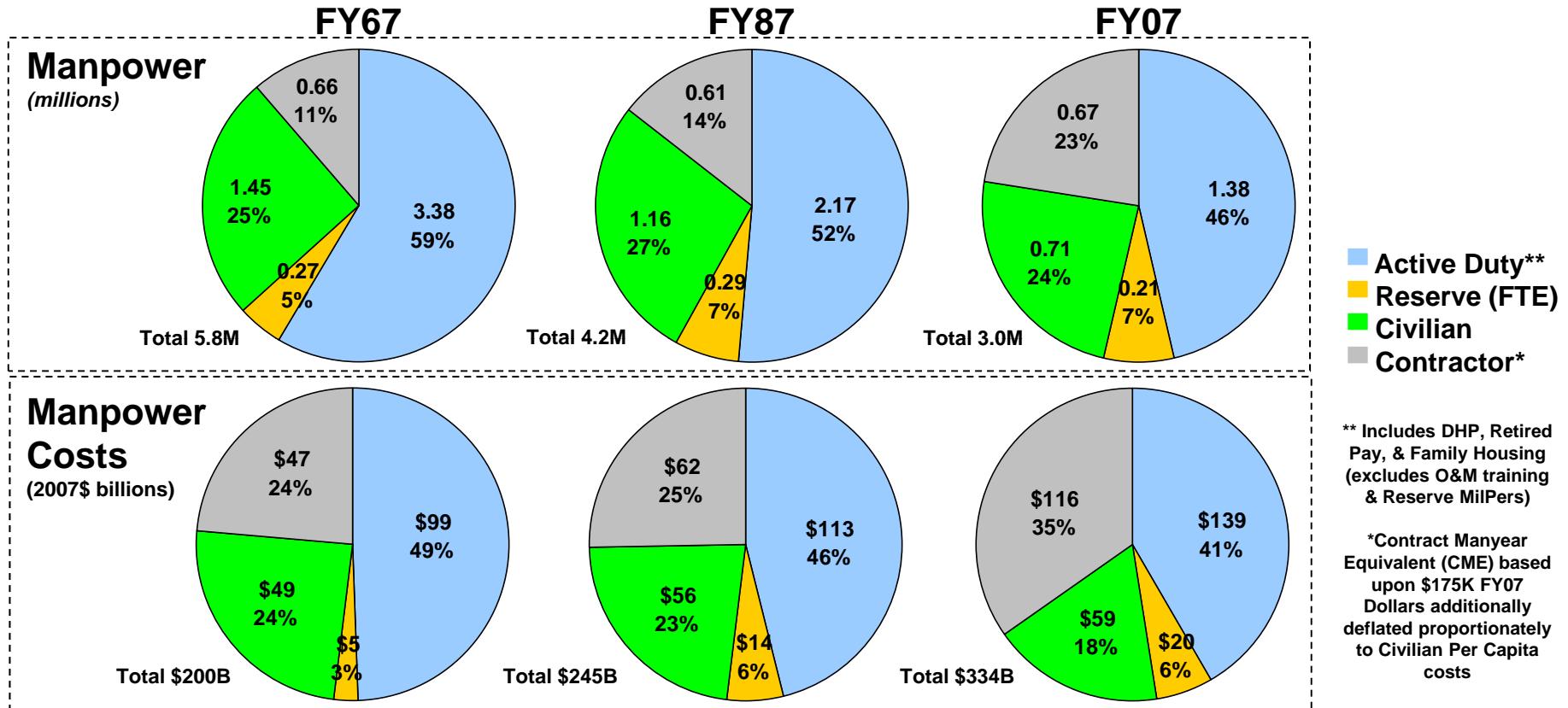
The Changing Composition of DoD Personnel



* Contract Manyear Equivalent (CME) based upon \$175K FY07 Dollars additionally deflated proportionately to Civilian Per Capita costs



Manpower Mix vs Manpower Costs

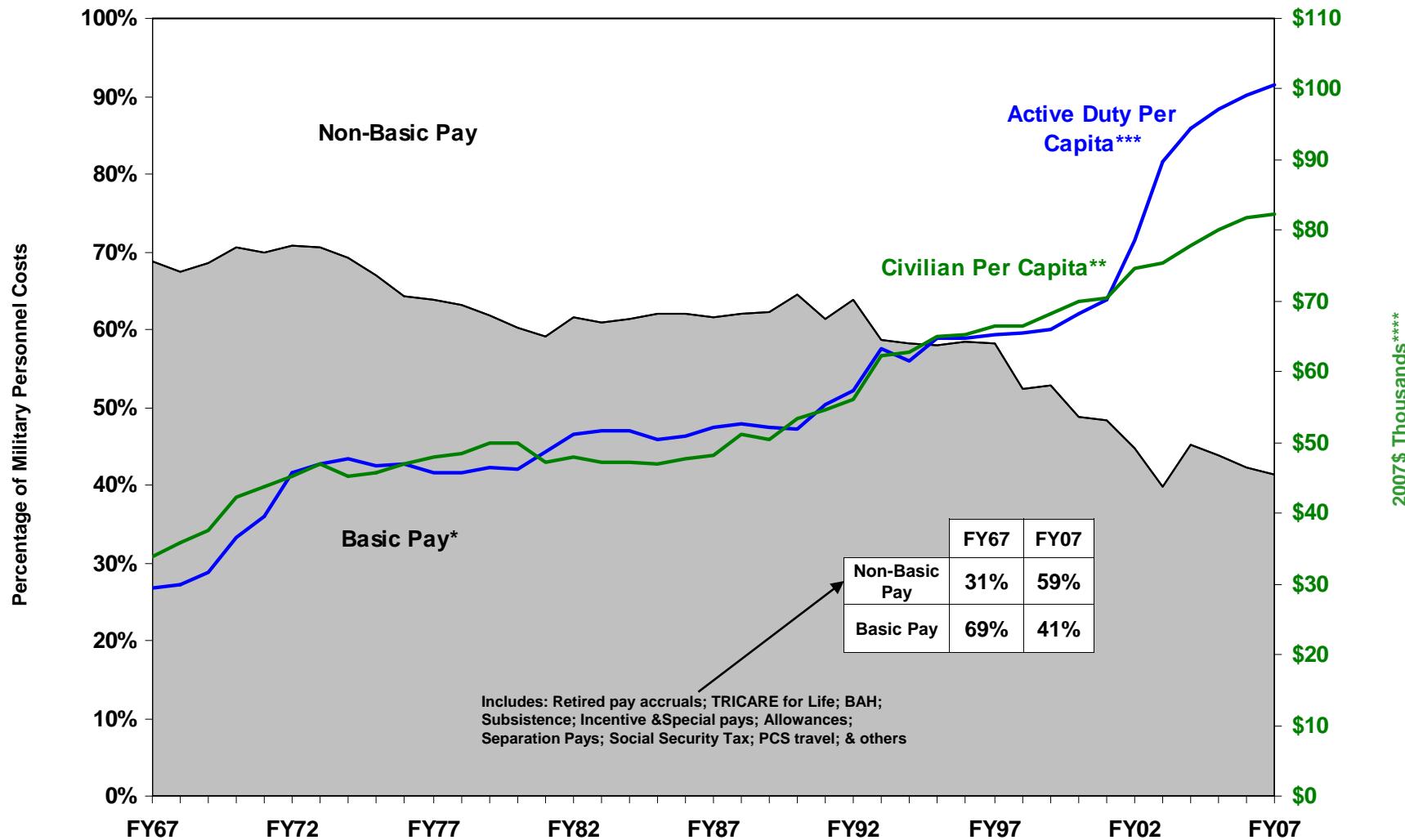


Takeaways include:

- Active Military “per capita” costs increasing – everyone else too
- Service Contract costs now almost equal to Active Military costs
- Capabilities & Productivity hard to capture “just from numbers”
 - Complicates ROI decisions



Entitlement Growth Driving Active Duty Costs



**** Using the GDP Price Index from the Budget of the United States Government: Historical Tables Fiscal Year 2009 (Table 10.1)

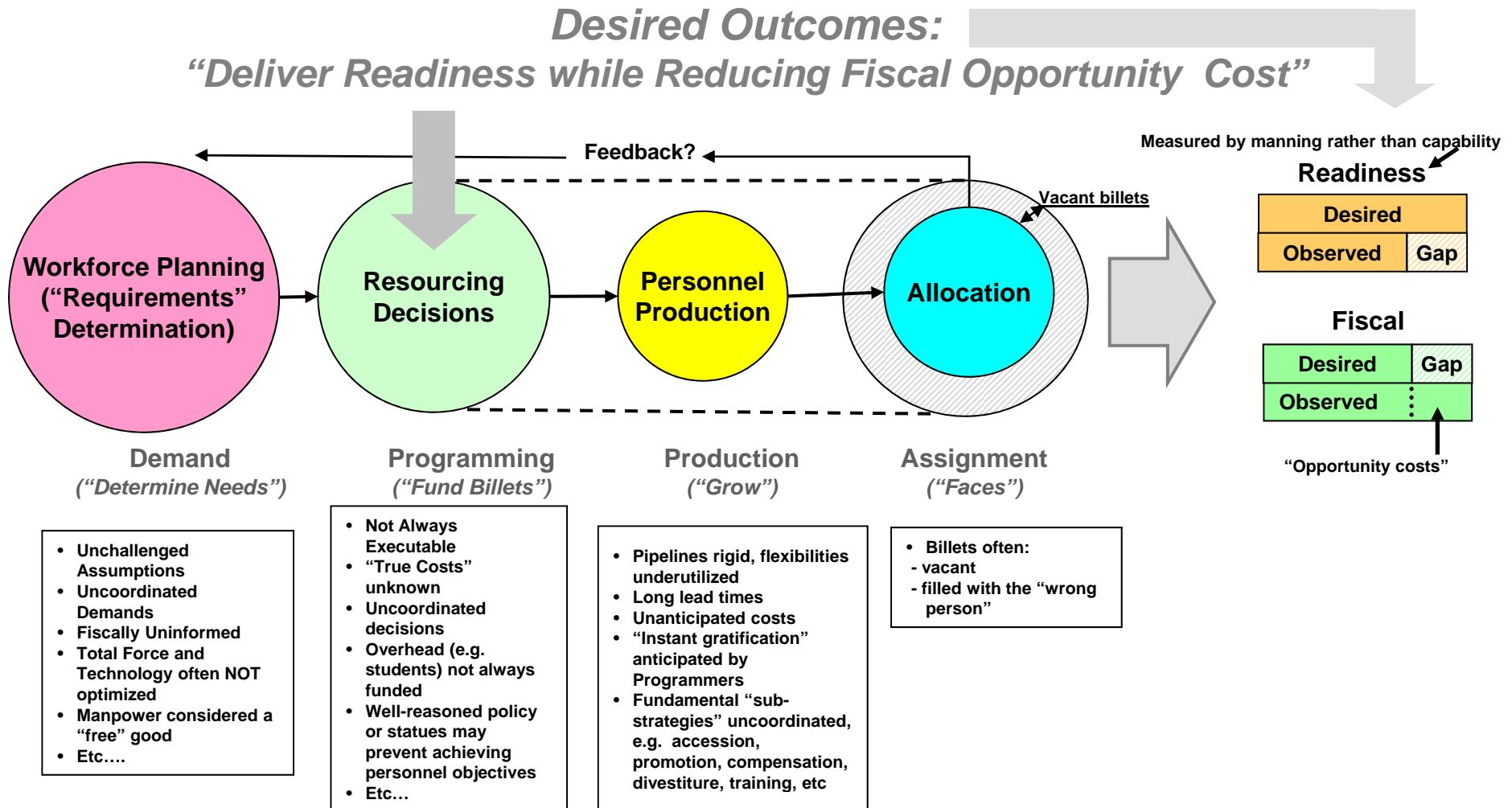
*** Military Personnel Costs divided by Active Duty Endstrength; MPC include MilPers (less Reserve), DHP, Family Housing, and Retired pay; does not include training (O&M)

** Civilian Pay divided by Civilian Full-time Equivalents (FTE)

* Military Pay (Active and Reserve) divided by Military Personnel Costs (including Reserve)



Resourcing the Workforce: in context



Resourcing the Workforce: cannot be separated from larger Human Capital "Architecture"



Resourcing the Workforce: Not Just About “Getting Money”: TAKE- AWAYS

- Department's larger Total Force objectives
 - Delivering capabilities and readiness while
 - Minimizing fiscal opportunity costs

- Complex problems – no “silver bullet”
 - Helpful “Resource-Related Actions” will span entire Human Capital Architecture
 - Critical to understand and shape Workforce Demands --- which are often incorrectly called “requirements”

Challenge: Where to Start?



Unclassified

Moving Closer to “Desired Outcomes” No Single Solution

No lack of constructive possibilities – a few examples:

- Strategic
 - Incentivize leaders to make “smart trade-offs” by making all components of total force manpower and technology “fungible” (e.g. military manpower “not free”)
- Operational
 - Eliminate “Culture of Equity” in Officer Community Management – DOPMA does not mandate ill-reasoned “equity”
- Tactical
 - Increasingly educated and capable enlisted force assume some current officer requirements



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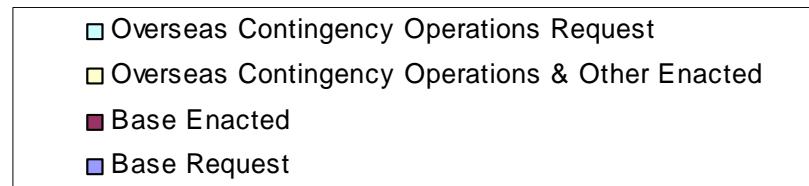
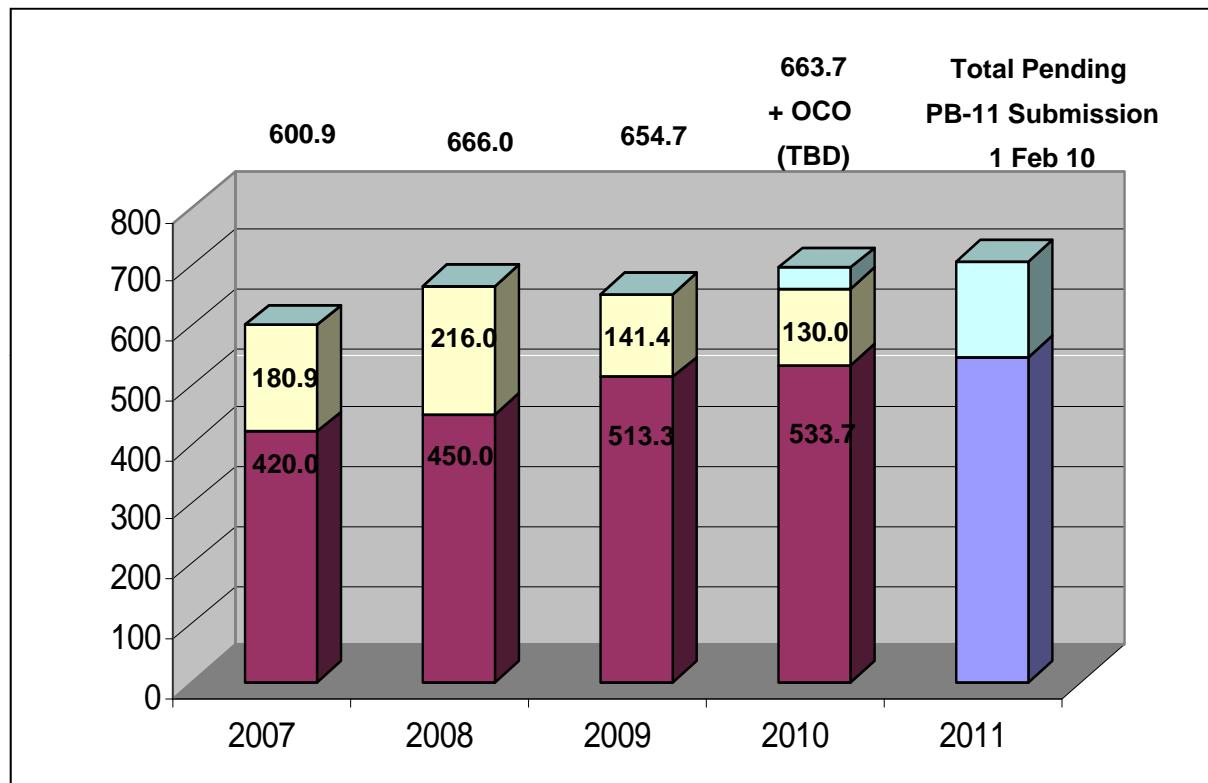
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BACKUP



DoD Budget Overview

Discretionary budget authority in billions of dollars



Source: OMB